

The Impact of a Creative Economy Rooted in Local Cultural Values on Increasing Income

Alana Keylovly

Sara aminah

Abstract. *This research explores the impact of the creative economy which is closely related to local cultural values and how this can contribute to increasing income. The main focus of this research is to identify how the creative economy can be rooted in local cultural values and have a positive impact on increasing local community income. The research results show that the integration of local cultural values in the creative economy can create new opportunities for creative economy actors and at the same time have a positive impact on the growth of local community income. In this context, this research provides a deeper understanding of how the creative economy can be a tool for strengthening and preserving local cultural values, while simultaneously improving the economic welfare of society.*

Keywords: *creative economy, rooted, trade.*

Abstrak. Penelitian ini mengeksplorasi dampak ekonomi kreatif yang erat kaitannya dengan nilai-nilai budaya lokal dan bagaimana hal tersebut dapat berkontribusi terhadap peningkatan pendapatan. Fokus utama penelitian ini adalah untuk mengidentifikasi bagaimana ekonomi kreatif dapat berakar pada nilai-nilai budaya lokal dan memberikan dampak positif terhadap peningkatan pendapatan masyarakat lokal. Hasil penelitian menunjukkan bahwa integrasi nilai-nilai budaya lokal dalam ekonomi kreatif dapat menciptakan peluang baru bagi para pelaku ekonomi kreatif dan sekaligus memberikan dampak positif terhadap pertumbuhan pendapatan masyarakat lokal. Dalam konteks tersebut, penelitian ini memberikan pemahaman lebih dalam tentang bagaimana ekonomi kreatif dapat menjadi alat penguatan dan pelestarian nilai-nilai budaya lokal, sekaligus meningkatkan kesejahteraan ekonomi masyarakat.

Kata Kunci : ekonomi kreatif, berakar, perdagangan.

BACKGROUND

In this era of globalization, the creative economy has become a sector that has an important role in driving the wheels of a country's economy. The creative economy concept not only includes creative industries such as art, design, and entertainment but also involves local cultural values as the main foundation. The combination of the creative economy and local cultural values forms a strong foundation to create a positive impact on increasing people's income.

One important aspect of a creative economy that is rooted in local cultural values is its ability to create new jobs and produce unique and authentic products or services. Creativity inspired by local cultural values encourages the development of products or works of art that have high market appeal. This opens up new opportunities for local businesses to market their products both at national and international levels.

Apart from that, a creative economy that is rooted in local cultural values can also increase the tourism attractiveness of an area. Creative products or activities that reflect the richness of local culture can be a major attraction for tourists. These tourist visits not only create business opportunities in the tourism sector, but also strengthen the cultural identity of a region.

The importance of a creative economy that maintains local cultural values can also be reflected in increasing people's income. Through the growth of the creative economy sector, local communities can enjoy increased income through new jobs, sales of products or works of art, as well as growing tourism activities.

In this context, the role of government and support from various parties is the key to ensuring the sustainability of a creative economy that is rooted in local cultural values. Policies that support creative economy actors, investment in creative infrastructure, and promotion of local cultural values can help create a conducive environment for sustainable economic growth and have a positive impact on increasing people's income.

WORK IMPLEMENTATION METHODS

A. Concept of Creative Economy Cultural Development

1. Creative Economy

The Creative Economy according to Law Number 24 of 2019 concerning the Creative Economy is the embodiment of added value from intellectual property originating from human creativity based on cultural heritage, science and/or technology. Creativity is a driving factor for the emergence of innovation or the creation of creative works by utilizing existing discoveries. The creative economy can be a driver of sustainable economic growth because ideas and creativity are resources that can always be renewed. The creative economy is closely related to the creative industry, but the creative economy has a broader scope than the creative industry. The creative economy is an ecosystem that has an interdependent relationship between the creative value chain; development environment; market and archiving.

2. The Role of the Creative Economy in Supporting the Regional Economy

The developments in technology and science that are occurring today have had a huge impact on additional information that can be used as a guide for everyone in their aim of improving the quality of life, one of which is by increasing creativity in various desired fields. The creative economy can be used as a solution in facing competitive levels of competition, so that the level of competition is not only determined by the level of production processes carried out but also aspects of creativity and innovation are starting to play a very important role. Apart from that, technological factors have a strong influence towards the development of the creative economy.

Economically, the creative industry plays a role in creating a business climate, creating jobs, fostering innovation and creativity, creating renewable resources, and contributing positively to GRDP.

OVERVIEW OF ECONOMIC GROWTH AND CREATIVE ECONOMY OF THE CITY OF SURAKARTA

At the beginning of the spread of the Covid-19 outbreak in the city of Wuhan, China, the impact on the world economy was expected to follow the pattern of SARS in 2003. The world economy was predicted to decline, but was still positive. Existing developments have prompted various countries to close borders and implement social distancing and lockdown policies, which have had a major impact on economic activity. Faced with the huge economic impact of the Covid-19 pandemic, governments in various countries around the world took quick steps by providing stimulus both from a fiscal, monetary and financial perspective.

From a fiscal perspective, both developed and developing countries are providing large stimuli to strengthen health systems and provide an economic cushion for affected community groups and industries.

General Conditions of the Creative Industries of Surakarta City

The city of Surakarta itself is one of the pioneers as a creative city in Indonesia. Since the launch of the Creative Economy, the city of Surakarta has prepared a Blue Principle for the Development of the Creative Economy of the City of Surakarta 2015 -2025. Based on the Blue Print for Creative Economy Development in the City of Surakarta for 2015 - 2025, the city of Surakarta has mapped 15 Creative Economy Sectors into the Creative Industry Sector in the City of Surakarta into 50 creative industry sub-sectors being developed in the City of Surakarta.

ANALYSIS OF THE CONDITION OF CREATIVE ECONOMIC ENTERPRISES (3 SUBSECTORS) IN THE CITY OF SURAKARTA

Describing the conditions of creative economy business actors is very important to find out how many strengths and weaknesses creative economy actors have and also the opportunities and obstacles they face. By knowing the strengths, weaknesses, opportunities and obstacles can be used as a basis for deciding strategies and policy directions in developing the creative economy sector, especially the performing arts, crafts and culinary sub-sectors. To obtain an overview of creative economy business actors, primary data was collected through distributing questionnaires online using Google forms.

A. Performing Arts Subsector

1. Respondent's Identity

a. Respondent's Education

Respondents' educational levels varied, ranging from high school graduates, D3/S1 education, Master's education, and Doctoral education. The average education level of

respondents is a high school graduate with a percentage of 47%. In detail, the respondents' education can be seen in the graph below.

b. Length of Business Establishment

On average, performing arts businesses that support the creative industry in the city of Surakarta are more than 10 years old. This condition is reflected in the respondents' answers of 70%. Meanwhile, businesses aged 5-10 years were 18%. The remainder are businesses that have been around for 3-5 years, which is 12%.

CREATIVE ECONOMIC CONTRIBUTION OF 3 SUBSECTORS TO THE REGIONAL ECONOMY

The city of Surakarta has large creative industry potential and its position is spread across several business subsectors. In general, the role of the creative economy, especially the performing arts, culinary and crafts sub-sectors, in the formation of Gross Domestic Product (GDP) is spread across business sectors: (1) processing industry, (2) Providing Accommodation and Food and Drink, and (3) other services. The other services sector, the processing industry and the Accommodation and Food and Drink Provision sector are three of the ten business fields that experienced positive economic growth in 2019 amounting to 5-12%, and experienced an increase compared to previous years, namely: Other Services amounting to 7.44 %, Processing Industry at 5.88%, and Provision of Accommodation and Food and Drink with economic growth at 5.21%.

EKRAF DEVELOPMENT STRATEGY IN 3 SUBSECTORS

Institutional development that supports the creativity ecosystem. Strengthening regulations for the development of creative economy businesses. Creative work uses cultural heritage as a source of inspiration to create uniqueness and strengthen identity, unity and integrity as well as the existence of the Indonesian nation in international forums. And the use of media as a distribution and presentation channel for quality local creative cards and content to increase appreciation and recognition from the people of Indonesia and the world.

Based on the description above, it can be seen that the preparation of the study of the creative economic culture of Surakarta City is in line with the mandate in the 2018-2025 National Creative Economy Development Master Plan, namely increasing the protection, development and utilization of natural resources and cultural heritage as raw materials for creative economic businesses. This is also in line with utilizing the cultural riches that exist in the City of Surakarta as a source of inspiration to create uniqueness and strengthen the identity and existence of the City of Surakarta. The Central Java regional development vision for 2018-2023 is a continuation of the development aspirations for Central Java for 2013-2018.

The poverty task force is a unit that is active in data management, problem formulation and policy formulation, public complaint services, and reporting. Apart from that, the provision of simple livable houses is also intended for workers to improve welfare, increase productivity, increase access and affordability of livable houses in order to improve a conducive climate for industrial development.

The reservoir/irrigation construction program and supported by maintenance of reservoir/irrigation infrastructure/facilities is carried out to support increased agricultural and food production. Apart from that, efforts are also being made to provide raw water to provide clean water for the community and support the development of industrial areas. Meanwhile, the development of integrated agricultural startups means upstream and downstream vertical integration, holistic integration of the extension of the energy chain to produce 5F. Apart from that, it also develops the concept of sectoral integrated agriculture and integrated sectors in agriculture, integration based on land consolidation, integration based on agricultural organizations, for example organic farming, ant sugar, as well as superior-based integrated agricultural areas.

Hospitals without walls are expected to change the health paradigm from curative to promotive and preventive while continuing to implement curative and rehabilitative efforts. Apart from speeding up services, this program also provides health education according to the cases being handled. This program is also to increase the community's capacity for clean and healthy living behavior through a combination of health, education and environmental health programs. Other excellent programs are government-funded schools specifically for poor students, and providing assistance to private schools, Islamic boarding schools, madrasas and the disabled.

The development of a Central Javanese cultural house is directed at providing open and easily accessible shared spaces for the activation, development and promotion of critical, creative, productive and appreciative powers towards work results and work findings that are rooted in the cultural values of the Central Javanese people. The House of Culture was formed at the ex-Residency level by utilizing the buildings and grounds left by the Resident's Official House, and utilizing the cultural park owned by the Provincial Government. Apart from that, this program encourages increased human awareness of the environment, namely increasing awareness that humans are an inseparable part of the environment and at the same time trying to do the best they can for their environment. An attitude of environmental concern is one of the character values that must be built, while conservation and restoring the function of the environment is so that balance can be achieved.

CLOSING

A. Conclusion

A. Conclusion

1. The conclusions resulting from the implementation of Creative Economy Cultural Study activities in Five Districts of Surakarta City are as follows:
2. Surakarta City's economic growth from 2015-2019 averaged 5.61 percent. Looking at the National Economic Growth Prospects in 2020, which was initially targeted to reach 5.3 percent, was revised downwards to -0.4 - 2.3 percent with considering the Covid-19 pandemic which has had a major impact on the Indonesian economy.
3. Surakarta City Government consumption growth in 2019 was 3.61 percent. Growth in government consumption is the only component of GRDP expenditure in 2020 which will be driven by increased spending to provide stimulus to community groups and industries affected by Covid-19.
4. From the business side, based on the 2020 National GDP projection, the negative impact of Covid-19 is felt evenly in almost all sectors. Seeing this condition, the Surakarta City Government needs to make efforts to carry out economic recovery to be directed towards reviving industry, tourism investment and exports
5. Based on the Blue Print for Creative Economy Development in the City of Surakarta for 2015 - 2025, the city of Surakarta has mapped 15 Creative Economy Sectors into the Creative Industry Sector in the City of Surakarta into 50 creative industry sub-sectors being developed in the City of Surakarta. Of the 15 creative economic sectors in the city of Surakarta, there are 5 creative economic sectors that are the first priority and are important sectors to be developed in the city of Surakarta, namely performing arts, design, crafts, food and fashion
6. BPS data in 2019 shows that the city of Surakarta has 82,547 creative industries spread across 16 creative industry sub-sectors. Of this number, those included in the 6 priority sub-sectors (Design, Digital, Culinary, Fashion, Craft/Craft, and Performing Arts) are 21% of the total creative industries in Surakarta, namely 17,335 Micro Creative industries.
7. At the end of 2018, according to BPPT data extrapolated by BPS, the contribution of Indonesia's creative economy to GDP reached IDR 1,105 trillion. Based on BPS data, the value of the creative economy in 2015 reached IDR 852 trillion, and rose to IDR 922.59 trillion or the equivalent of 7.44% of GDP in 2016. Then it rose to IDR 1,102

trillion in 2017, and grew to IDR 1,105 trillion in 2018. At the end of 2019 the contribution of the creative economy to GDP rose to 1,211 trillion

B. Recommendations

The recommendations proposed in this research are as follows:

1. The Surakarta City Government, considering the conditions of the Covid-19 pandemic in the City of Surakarta, certainly needs to review the economic growth target in the 2020 RKPD of 5.77 – 6.17 percent.
2. The role of the creative economy industry in the performing arts, culinary and crafts sub-sector in the regional economy needs to be encouraged in its contribution to (1) as a major player in economic activities in various sectors, (2) providing the largest employment opportunities, (3) developing local economic activities and empowerment society, (4) creator of new markets and sources of innovation, and (5) contribution to international markets. To achieve economic development targets, the creative economy needs to receive attention, especially during the current COVID-19 pandemic, it will be relatively difficult to attract investment. For this reason, the limited budget allocation of the Surakarta City Government needs to be directed towards efforts to develop the creative economy industry through optimizing regional economic recovery.
3. The creative and creative development strategy as a result of this study needs to be translated into programs and activities in accordance with the applicable nomenclature so that it can be integrated into annual planning documents, both RKPD and Regional Apparatus Renja.
4. It is necessary to conduct research on the willingness/readiness of stakeholders related to the development of Creative Economy from the capital and human resource aspects, such as capital providing institutions and human resource capacity building institutions.

BIBLIOGRAPHY

- Surakarta City Central Statistics Agency. (2019). Surakarta in Numbers. Accessed from <https://surakartakota.bps.go.id/>
- Central Java Statistics Agency. (2019). Central Java in Numbers. Accessed from <https://jateng.bps.go.id/>
- Central Bureau of Statistics. (2019). Indonesia in Numbers. Accessed from <https://www.bps.go.id/>.